

**Senate File 2244 - Introduced**

SENATE FILE 2244

BY GIDDENS

**A BILL FOR**

1 An Act establishing the nonprofit employer recruitment and  
2 retention loan repayment program within the college student  
3 aid commission and making appropriations.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1.   NEW SECTION.   261.133   Nonprofit employer  
2   recruitment and retention loan repayment program.

3     1.   As used in this section, unless the context otherwise  
4   requires:

5     *a.   "Eligible loan"* means the eligible employee's total  
6   federally guaranteed Stafford loan amount under the federal  
7   family education loan program or the federal direct loan  
8   program, the eligible employee's federal grad plus loans,  
9   or the eligible employee's federal Perkins loan, including  
10  principal and interest.

11    *b.   "Nonprofit organization"* means an organization organized  
12  under chapter 504 and qualifying under section 501(c)(3) of the  
13  Internal Revenue Code as an organization exempt from federal  
14  income tax under section 501(a) of the Internal Revenue Code  
15  that satisfies all of the following requirements:

16     (1)   The organization must operate primarily in this state.

17     (2)   The organization must serve critical community needs,  
18  including food insecurity, housing insecurity, youth education,  
19  senior education, health, or community support.

20    *c.   "Part-time"* means at least seventy percent of a forty-  
21  hour workweek.

22    2.   A nonprofit employer recruitment and retention loan  
23  repayment program is established to be administered by the  
24  college student aid commission for purposes of providing  
25  payments to nonprofit organizations to be used for providing  
26  loan repayments for eligible loans to certain employees to  
27  assist in the recruitment and retention of those employees  
28  who agree to remain full-time employees of the nonprofit  
29  organization for five years or who agree to remain part-time  
30  employees of the nonprofit organization for seven years.

31    3.   An employee of a nonprofit organization is eligible  
32  to apply to enter into a program agreement with the college  
33  student aid commission and the nonprofit organization for  
34  loan repayments under this section if all of the following  
35  requirements are met:

1     *a.* The employee has academic experience in leadership or  
2 the management of nonprofit organizations or has attained  
3 a credential or certification related to leadership or the  
4 management of nonprofit organizations.

5     *b.* The total annual compensation the nonprofit organization  
6 pays to the employee is less than or equal to sixty thousand  
7 dollars.

8     4. A program agreement shall be entered into among an  
9 eligible employee, the nonprofit organization, and the college  
10 student aid commission. Pursuant to the program agreement, to  
11 receive loan repayments from a nonprofit organization pursuant  
12 to subsection 6, an eligible employee shall agree to engage in  
13 either five years of full-time employment with the nonprofit  
14 organization or seven years of part-time employment with the  
15 nonprofit organization.

16     5. The college student aid commission shall give priority to  
17 residents of Iowa and, if requested by the adjutant general, to  
18 eligible employees who are members of the Iowa national guard.

19     6. The amount of loan repayment to a nonprofit organization  
20 for an eligible employee who enters into an agreement pursuant  
21 to subsection 4, if the eligible employee is in compliance  
22 with the obligations under the program agreement, shall be no  
23 more than five thousand dollars annually for an eligible loan.  
24 Payments under this section shall be made to the nonprofit  
25 organization for each year of the employee's employment during  
26 a period of five consecutive years of full-time employment or  
27 seven consecutive years of part-time employment and shall not  
28 exceed a total of twenty-five thousand dollars. If the total  
29 amount of an eligible employee's eligible loan upon application  
30 is less than twenty-five thousand dollars, the college student  
31 aid commission shall divide the total amount of the eligible  
32 employee's eligible loan by five, if the eligible employee is a  
33 full-time employee, or by seven, if the eligible employee is  
34 a part-time employee, to determine the annual amount of loan  
35 repayment the nonprofit organization is eligible to receive and

1 provide to an eligible employee.

2     7. An employee of a nonprofit organization who entered  
3 into a program agreement pursuant to subsection 4 may apply  
4 to the college student aid commission to amend the program  
5 agreement to allow the employee to switch to part-time  
6 employment or full-time employment, as applicable. The  
7 college student aid commission, nonprofit organization, and  
8 the employee may consent to amend the program agreement under  
9 which the employee shall engage in part-time employment with  
10 the nonprofit organization for an extended period of part-time  
11 employment determined by the college student aid commission to  
12 be proportional to the amount of full-time employment remaining  
13 under the original program agreement.

14     8. The obligation of an employee of a nonprofit organization  
15 to engage in either full-time employment or part-time  
16 employment under a program agreement entered into pursuant to  
17 subsection 4 shall be considered satisfied when any of the  
18 following conditions are met:

19     a. The terms of the program agreement are completed.

20     b. The employee dies.

21     c. The employee, due to a permanent disability, is unable  
22 to work either full-time or part-time for the nonprofit  
23 organization.

24     9. If an employee fails to fulfill the obligation to engage  
25 in employment in accordance with the program agreement entered  
26 into pursuant to subsection 4, the employee shall be subject  
27 to repayment to the college student aid commission of the loan  
28 amount plus interest as specified by rule. The college student  
29 aid commission shall remit all repayments made pursuant to this  
30 subsection to the nonprofit employer recruitment and retention  
31 loan repayment program fund established pursuant to subsection  
32 11.

33     10. The college student aid commission shall submit in  
34 a report to the general assembly by January 1, annually, the  
35 number of individuals who received loan repayment pursuant

1 to this section, the nonprofit organizations that entered  
 2 into program agreements pursuant to subsection 4, where the  
 3 individuals who received loan repayment pursuant to this  
 4 section worked, the amount paid to each nonprofit organization,  
 5 the amount each nonprofit organization paid to each program  
 6 participant, and other information identified by the college  
 7 student aid commission as indicators of outcomes of the  
 8 program.

9 11. A nonprofit employer recruitment and retention loan  
 10 repayment program fund is created in the state treasury as  
 11 a separate fund under the control of the college student  
 12 aid commission. All moneys deposited or paid into the fund  
 13 are appropriated and made available to the college student  
 14 aid commission to be used for meeting the requirements of  
 15 this section. The college student aid commission shall use  
 16 moneys in the fund to leverage available federal moneys if  
 17 possible. Notwithstanding section 8.33, any balance in the  
 18 fund on June 30 of any fiscal year shall not revert to the  
 19 general fund of the state but shall remain in the fund and be  
 20 continuously available for loan repayment under the program.  
 21 Notwithstanding section 12C.7, subsection 2, interest or  
 22 earnings on moneys deposited in the fund shall be credited to  
 23 the fund.

24 12. The college student aid commission shall adopt rules  
 25 pursuant to chapter 17A to administer this section.

26 Sec. 2. COLLEGE STUDENT AID COMMISSION — NONPROFIT  
 27 EMPLOYER RECRUITMENT AND RETENTION LOAN REPAYMENT PROGRAM —  
 28 APPROPRIATION. There is appropriated from the general fund of  
 29 the state to the college student aid commission for the fiscal  
 30 year beginning July 1, 2022, and ending June 30, 2023, the  
 31 following amount, or so much thereof as is necessary, to be  
 32 used for the purposes designated:

33 For the nonprofit employer recruitment and retention loan  
 34 repayment program established pursuant to section 261.133:

35 ..... \$ 5,000,000

1 EXPLANATION

2 The inclusion of this explanation does not constitute agreement with  
3 the explanation's substance by the members of the general assembly.

4 This bill establishes the nonprofit employer recruitment and  
5 retention loan repayment program within the college student aid  
6 commission (commission).

7 The bill requires the commission to administer the program  
8 for purposes of providing payments to nonprofit organizations  
9 to be used for providing loan repayments to certain employees  
10 to assist in the recruitment and retention of those employees  
11 who agree to remain full-time employees of the nonprofit  
12 organization for five years or who agree to remain part-time  
13 employees of the nonprofit organization for seven years.

14 The bill provides that an employee of a nonprofit  
15 organization is eligible to apply to enter into a program  
16 agreement with the commission and the nonprofit organization  
17 for loan repayments under the program if the employee has  
18 academic experience in leadership or the management of  
19 nonprofit organizations or has attained a credential or  
20 certification related to leadership or the management of  
21 nonprofit organizations, and if the total annual compensation  
22 the nonprofit organization pays to the employee is less than or  
23 equal to \$60,000.

24 The bill provides that the eligible employee, nonprofit  
25 organization, and commission shall enter into a program  
26 agreement for loan repayments. Additionally, the bill provides  
27 that, in order to receive loan repayments, an eligible employee  
28 shall agree to engage in either five years of full-time  
29 employment with the nonprofit organization or seven years of  
30 part-time employment with the nonprofit organization. The bill  
31 requires the commission to give priority to residents of Iowa  
32 and, if requested by the adjutant general, to applicants who  
33 are members of the Iowa national guard.

34 The bill limits the amount of loan repayment to a nonprofit  
35 organization for an eligible employee who enters into a program

1 agreement to no more than \$5,000 annually and no more than  
2 \$25,000 total.

3     The bill authorizes an employee who entered into a program  
4 agreement to apply to the commission to amend the agreement to  
5 allow the employee to switch to part-time employment or full-  
6 time employment, as applicable. The bill provides that the  
7 commission, nonprofit organization, and employee may amend the  
8 agreement under which the employee shall engage in part-time  
9 employment for an extended period of part-time employment  
10 determined by the commission to be proportional to the amount  
11 of full-time employment remaining under the original agreement.

12     The bill establishes when the obligation of an employee to  
13 engage in either full-time employment or part-time employment  
14 under an agreement shall be considered satisfied.

15     The bill provides that, if a loan repayment recipient fails  
16 to fulfill the obligation to engage in employment in accordance  
17 with the agreement, the recipient shall be subject to repayment  
18 to the commission.

19     The bill requires the commission to submit a report to the  
20 general assembly by January 1, annually, detailing certain  
21 specified information related to the program.

22     The bill establishes a nonprofit employer recruitment and  
23 retention loan repayment program fund in the state treasury as  
24 a separate fund under the control of the commission. The bill  
25 appropriates \$5 million to the fund for FY 2022-2023.

26     The bill defines "eligible loan", "nonprofit organization",  
27 and "part-time".